

THE 6 SECRET STAGES TO BUILDING BUSINESS CREDIT



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Introduction

In this book we show you the 6 Stages to Building Business Credit.

Stages 1 and 2 are foundational. It is critical to complete them so your business is ready to build strong business credit scores. Without completing Stages 1 and 2, it is impossible to build business credit scores separate from your personal credit scores.

Stages 3, 4, 5 & 6 are where you actually build business credit. Stage 3 is about setting up with all the business credit agencies: Equifax, Experian and Dun & Bradstreet. Stage 4 is for getting five vendor lines of credit reporting to the agencies. Stage 5 is for getting three business credit cards reporting to the agencies.

Below is a summary of each stage and what you must do to successfully build business credit.

Stage 1 – Set The Foundation For Building Business Credit

Stage 1 –This foundational stage is all about establishing credibility for your company. Think about it from a lender’s perspective. They are in business to lend to companies they consider to be safe risks. They perform several underwriting checks to see if you are safe enough for them to consider extending credit



Part of establishing yourself as a safe risk starts by being in compliance. Being in compliance helps you establish credibility for your company. This is foundational to your success!

1.1 – Make Sure Your Business Is Ready to Build Business Credit.

1.2 – Your Business Entity Structure.

1.3 – Build Strong Business Credit and Protect It.

1.4 – Why Your Business Location is Vital to Building Business Credit.

1.5 – Your Business Must be in 411 Directory Assistance for Approval.

1.6 – New Items Lenders Check If Your Business is Lendable.

1.7 – Your Business Credit Identity (EIN), and How You Get One.

1.8 – Why You Must Verify All Agency Listings Are Exactly the Same.

Stage 2 – Optimize Banking, Assets and Revenue To Maximize Fundability

Stage 2 is all about business fundability.

How fundable is your business?

Fundability is about more than your business credit. It includes several components which determine how lenders, investors, insurers, suppliers, and more see your business. We know your business was worth the risk for you, but is it worth the risk for them?

The answer will increasingly be “yes” as business fundability grows.

By improving your business fundability, our Business Credit Building System goes beyond helping you build strong business credit. We improve the health of your business while greatly increasing your ability to succeed now and in the future.

The major components of Business Fundability are:

- Business Bank Accounts
- Business Assets
- Business Revenue
- The Owners and Their Credit History

Fund • a • bil • i • ty [adj. Fuhnd-uh-bil-i-tee]

You won't find Fundability on Dictionary.com, so don't bother looking. Fundability is a word we've coined to describe how a business measures up. This is in relation to the entire business lending and investing community.

2.1 – Bank Accounts, a Vital Business Credit Building Component.

2.2 – Identifying Business Assets and Availability for Credit Use.

For the first round of funding, options are available. These are both with and without requiring a personal guarantee.

2.3 – A Business Owner’s Personal Credit Can Play a Key Role in Building Business Credit.

2.4 – Bank Visa and MasterCard Credit Cards You Can Use as Cash and Build Credit.

Stage 3 – Get Set Up With All Three Business Credit Reporting Agencies

Stage 3 is all about the business credit reporting agencies.

In Stage 3, we show you how to open and kick off your business credit files. This is with all three business credit reporting agencies. They are: Dun & Bradstreet, Experian, and Equifax.

Most vendors use Dun & Bradstreet to extend lines of credit. Landlords use them to approve office leases as well. Many credit card companies and nontraditional business lenders use Experian. Equifax has the Small Business Financial Exchange. It is most important for cash lenders such as banks. To concentrate on one and not the others creates lopsided credibility. You need to build all three.

The how-to instructions in this stage clarify how to get started the right way with each Business Credit Reporting Agency. These methods have been tested and proven by thousands of our business members before you.

There are some confusing claims made by the business credit reporting agencies.

For instance, Dun & Bradstreet claims you must pay them or they will never open a business file for you. This is simply not true. Your file will activate with them, but it takes a few reporting cycles. Equifax claims they don’t allow business owners to buy a



copy of their reports. This is true, but we show how to get a copy of your Equifax business report without buying it.

In Stage 3 we wipe away all confusion about the business credit reporting agencies. You can access all three business credit reports. And you get you get a much clearer understanding of business credit reporting. And you will know how your business credit scores are developed.

Our business credit building system is data integrated with Experian Smart business credit reports. When you first log in, you can see exactly where your company currently stands in the business credit building process. You can then track your real time progress as your business credit grows.

3.1 – Dun & Bradstreet Business Credit Report.

3.2 – Experian Business Profile Report.

3.3 – Equifax Small Business Credit Report.

3.4 – Credit scores; What are Excellent Business Credit Scores?

Stage 4 – Starter Vendor Credit (Net 30 Day Accounts)

Stage 4 is all about vendor credit.

A vendor line of credit is when a company (vendor) extends a line of credit to your business on Net 30, 60 or 90 day terms. This means you can buy their products or services up to a certain dollar amount. And you have 30, 60 or 90 days to pay the bill in full. If you buy \$300 worth of goods today, then the \$300 is due within the next 30 days.

Some facts about vendor credit lines:

You can get products and services your business needs and defer payment on those for 30 days. It thereby eases cash flow. This is Net 30. Many of our vendors open a Net 30 terms account with your company. And they will do so with as little as an EIN number and a verified 411 listing.

Start with our preferred vendor list. They are known to grant credit to companies with no credit history. Always apply first without your SSN; some vendors request it. Some even tell you on the phone they have to have it. Submit first

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without it, with your EIN only. If they ask you to personal guarantee it after you have submitted it without, then this is up to you.

Some vendors may ask you to place an initial prepaid order. If so, get that order out of the way fast and move onto getting a Net 30 account for your second or third order. Remember, the goal here is to have at least five (5) Net 30 accounts open and reporting. Be patient. Allow time for vendor reporting cycles to get into the system and start impacting your business credit scores. It typically takes three (3) cycles of Net accounts reporting to build credit scores. In other words, it can take 60 to 90 days to get them to report and show up on your file.

This is why it takes 90 to 120 days to build business credit scores. The credit reporting cycles are the main reason for this. It cannot happen any faster.

Stage 5 – Retail Credit

Stage 5 is all about retail credit accounts.

A revolving credit account allows you to pay a minimum due per month and not the full outstanding balance. These accounts often report to Experian, sometimes also to D&B and Equifax. Due to how they report, these accounts help build business credit on a larger scale than Net 30 day vendors alone.



If you haven't completed Stage 1 through 4, there is no point in starting Stage 5.

Why? Because you will most likely get a decline. These accounts check if your business credit foundation is set. They want to see if your business credit files are open. They may also check your bank rating, to see if you have some open vendor lines of credit. Often, they want to see your D&B file is open.

In this stage it does not matter which retail credit card accounts you open and make purchases with. We have a great selection of companies offering products and services of value to any and all businesses

Stage 6 – One Bank Loan, Why It Is Very Important and Exactly How to Get It

Stage 6 is all about getting more funding.

Getting more credit makes your business more credible in the eyes of almost all other lenders.

In Stage 6, we walk through what you must do to get funding to start the reporting process for your business. We show you how to place your business on all other lenders' radar.

As part of Bank Credit, in Stage 6 we teach you about:



Bank Ratings – a strong business bank account rating shows your business can repay loans. We look at how banks rate your accounts.

Business Cash – We give you access to many unique funding programs. These can bring quick cash to your business.

- 6.1 – Bank Rating, what it is and How to Use it to Your Advantage.**
- 6.2 – Unique Funding Programs Which are Available Sources of Business Cash and the Second Round of Funding.**
- 6.3 – Sources to Find Personal Cash to Use in Your Business.**